



Ministry of Community Safety and  
Correctional Services

Community Safety

Final Report

Supply Chain Management  
During Emergency Events

July 2014



Ontario Internal Audit Division

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Serving:

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Ministry of Community Safety and Correctional Services

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## Executive Summary

The Office of the Fire Marshal and Emergency Management (OFMEM) is the lead organization to coordinate a provincial response in the event of an emergency. It obtains its authority from the Emergency Management and Civil Protections Act (EMCPA).

To support municipalities, unorganized townships and First Nations, the OFMEM hosts a Provincial Emergency Operations Centre (PEOC) that is comprised of officials from various provincial ministries, federal departments and regulatory agencies. The PEOC exists to assist local decision makers and to coordinate the acquisition and distribution of resources (e.g., fuel, transportation, equipment, physical assistance) that have been requested by a community when a need is identified locally.

In December 2013, an ice storm affected parts of the province, resulting in power outages for approximately 600,000 residents at its peak. Power outages began on December 21st and were restored in pockets, with the majority restored by December 27th, 2013. OFMEM assisted communities with their responses to the storm by coordinating the supply and distribution of goods and services requested by various communities. Resources such as wood chippers, generators, chainsaws and work crews were identified by communities as needed in response to the storm.

The objective of the review was to examine emergency related supply chain management and determine opportunities for improvement.

During our review of OFMEM supply chain management we found that:

- OFMEM does not have a well-defined and documented process for supply chain management activities, and many of the processes and mechanisms used are informal and rely heavily on individual(s) knowledge
- the Supply Chain and Logistics Alliance (SCLA) has not been fully developed for operational use.
- During the December 2013 ice storm, OFMEM was directed to step outside its normal coordinator role to distribute grocery cards. A lack of appropriate process resulted in inadequate preliminary determination of :
  - the extent of the need
  - how to adequately distribute the grocery cards
  - how to manage cash donations that were pledged by the public.

Fieldwork was conducted in February 2014. Information was obtained through interviews, documentation review and an examination of activities during emergency activations over the last year. The Justice Audit Service Team (JAST) did not engage stakeholders external to the Ontario Public Service.

This review has been conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

**David Horie**  
Director, Justice Audit Service Team

## Detailed Issues and Action Plans

### 1. Provincial Response Coordination

Ontario's provincial emergency response plan stipulates that emergency response begins with an individual/family and may escalate successively to involve the affected community, mutual aid/assistance from neighbouring services/municipalities/communities and from the county or region and associated services. Resources from the province, or even the federal government, may also be required, depending upon the nature and severity of the incident. With this "bottom up"<sup>1</sup> approach, emergency response is driven by the affected community and the need(s) they identify.

The role of OFMEM in an emergency is as a coordinator. They should have in place clearly defined roles, responsibilities, processes and procedures to ensure delays are minimized and safety, security and appropriate levels of control exist in the event of an emergency.

We noted that informal processes exist to support the coordination of logistics and supply chain response strategies. The Provincial Emergency Operations Center (PEOC) works with affected communities providing advice or assistance with the acquisition of needed goods or services. During the December 2013 ice storm, there were several instances where OFMEM, through the PEOC, supported affected communities by effectively coordinating the acquisition of goods and services, the need for which was identified and requested by affected communities. These included:

- wood chippers. Caledon requested chainsaws, chippers and forestry crews to assist with tree debris clean up.
- tree service/forestry crews. Toronto, Mississauga, Brampton, and others requested assistance with tree service and clean up, and these requests were answered by Ministry of Natural Resources (MNR), Niagara Region, Ottawa and private contractors.
- coast guard. There was a request to clear ice on Lake St. Clair.
- accommodation. Assistance was requested regarding accommodations for those coming from New York and Ottawa to help.
- border crossing. OFMEM worked with/advised Canada Border Services Agency (CBSA) as questions were raised about the crews crossing the border from New York with large equipment to assist with the forestry and clean-up efforts.
- hospital response. Emergency Medical Action Team (EMAT) from the Ministry of Health and Long Term Care was deployed to assist Sunnybrook hospital in Toronto.
- wellness checks. The OPP assisted with wellness checks in Toronto in support of Toronto Police Service.

There are, however, opportunities to formalize EMO's *Policies and Procedures* and operationalize the *Supply Chain Logistics Alliance* to ensure that its ability to respond to future situations is sustainable.

### Policies and Procedures

We noted that OFMEM did not have formally documented local policies and procedures related to logistics and supply chain to guide its operations, but rather relied on the personal experience, knowledge and approach of staff on duty.

OFMEM has adopted the Incident Management System (IMS) doctrine. While not fully operationalized, they have established the IMS management functions consisting of Command, Operations, Planning, Logistics and Finance/Administration. When an incident occurs, Command determines what level of

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<sup>1</sup> Extract taken from 2.3.1 – Provincial Emergency Response Plan (PERP)

activation is required (Regular, Enhanced, Full, Nuclear). The activation level should determine which management functions and other participants are required in the PEOC. Given that one of the features of the IMS doctrine is scalability, there is no requirement for all management to be involved until Full activation. During lesser incidents, the policies and procedures are not clear on required staff. Currently command staff may choose to use operations staff to fill the roles of the other management functions, including logistics. Despite the fact that logistics are a key element in the response to an emergency and that OFMEM places a high reliance on the experience and knowledge of individual staff rather than documented procedures, we found that only operational staff and not logistical staff were available during the December ice storm. Staff indicated that this was not uncommon.

There is a significant gap in the sustainability of operations without clearly defined policies and procedures. Should current staff leave their positions; the corporate knowledge that has been amassed will no longer be available for reference during the next incident that requires provincial support.

### **Supply Chain and Logistics Alliance**

In 2008 OFMEM conceptualized the *Supply Chain and Logistics Alliance* (SCLA). The SCLA was to be a public and private partnership through which the OFMEM could identify sources of supplies/services and link those in need with identified suppliers in the event of an emergency. The SCLA envisioned a Central Resource Unit with linkages to specific industries (e.g., manufacturing, transportation) and was intended to assist in sourcing and purchasing goods/services at fair market value. While the SCLA at its inception had about 30 representatives from various private and not-for-profit organizations, key contacts have become dated. The SCLA's purpose was not to collect donations or be involved in donations management, but only to support affected communities through identification of sources of supplies or services at fair market value in emergency situations

We found that the SCLA has not been fully operationalized, tested or maintained.

- The contacts currently associated with the SCLA are based on an outdated list of names attached to various corporations, with no reference to the nature of goods, services or supplies to which they pertained. There is no documentation to guide its use and application in the event of an emergency.
- The November 2008 tabletop exercises where it was practiced relied heavily on personal knowledge rather than reliance on the SCLA itself. There was no evidence that staff verified the SCLA's existence or questioned its use from December 2008 to present.
- Staff attempted to activate the SCLA during the ice storm response in order to obtain resources such as generators, wood chippers or gift cards, but found no useful contacts.

As a result, the OFMEM does not currently have a standardized process to identify types of goods/services that may be needed during a specific type of emergency or the sources for those goods/services; ensure the use of current information; or proactively prepare to coordinate an identified need with an available supplier. Needed items are sourced based on staff historical interactions, use of the phone book/ Yellow Pages or internet searches.

## **2. Exceptions to Coordinator Role**

In the ice storm response, we noted that OFMEM was directed to deviate from its coordinator role as articulated in the Provincial Emergency Response Plan (PERP) and become directly engaged in the procurement, supply or distribution of goods and/or services, specifically with the acquisition and distribution of grocery cards for the provision of food.

## Grocery Cards

An emerging need was perceived that those affected by the storm would have lost food to spoilage due to the extended power outage. Contrary to the bottoms up approach normally applied in emergency situations, the need for food was identified by staff from the Premiers office and direction was given to OFMEM to determine a way to provide fresh produce to those in need. Food was not identified as a need by any municipality. To address this request, the OFMEM engaged a group of staff from OFMEM, the Premiers office and external parties, including representatives from the grocery industry, Toronto Daily Bread Food Bank and other community groups, to develop solutions given the holiday season and a limited timeframe.

The initial intent to provide fresh produce was transitioned to grocery cards based on donations-matching in order to address the challenges with collection, storage and distribution of fresh produce. Grocery cards valued at \$1,293,000 were obtained through a combination of donations and a provincial matching program<sup>2</sup> and distributed to the public.<sup>3</sup> Distribution of the grocery cards took place between December 31, 2013 and January 4, 2014 in Toronto, and between January 6 and 10, 2014 in locations outside the Toronto area.

As an exception to its role as a coordinator, OFMEM was tasked with sourcing grocery cards from suppliers. However, based on the Order in Council,<sup>4</sup> any emergency that requires food, water and shelter falls under the responsibility of the Ministry of Community and Social Services (MCSS). MCSS was not asked to participate in the grocery card distribution initiative until several days after the program had been launched in Toronto.

OFMEM did not have mechanisms in place to effectively manage this situation where they were required to go beyond the role of coordinator and instead directly supply and distribute goods. The need to implement the grocery card program in a timely manner resulted in areas that were not adequately addressed. Specifically there was no preliminary determination of:

- how much need existed, which communities required assistance and what, if any, criteria would be used for distribution. The absence of established criteria resulted in excess grocery cards at the end of the program.<sup>5</sup>
- how to adequately distribute the grocery cards to the public in need. Distribution centers were established using Ontario Works offices as bases, but this may have limited access for those most in need
- how to manage the cash donations received in response to the provincial matching. A total of \$475,000 was pledged during the storm, and \$435,000 ultimately collected. OFMEM did not have a process in place to collect and use the donations to purchase the grocery cards during the event. Subsequent to the event, donations and distribution of the cards were reconciled by MCSCS.

Once MCSS was engaged to assist OFMEM with the distribution of grocery cards outside of Toronto, normal processes were followed. MCSS contracted with Red Cross Canada, with whom they had an existing relationship, based on MCSS's OIC appointment in relation to food, water, and shelter. Red Cross Canada used local food banks through its pre-established contacts. A separate transfer payment

<sup>2</sup> Total donations received - \$595,000, total provincial contribution - \$698,000.

<sup>3</sup> Initially the program was established with a provincial matching cap of \$100,000. The cap was lifted due to increased contributions from the public sector and increased demand for the cards.

<sup>4</sup> 2009-1157 Order in Council

<sup>5</sup> A total of \$161,900 worth of cards were given to food banks at the completion of the program to help to replenish food stores that may have been consumed prior to the grocery card distribution and support any further need .

agreement was signed as the distribution of gift cards did not fall under its current transfer payment obligations.

The Ontario graduated problem solving (bottom-up) approach to emergency response was not followed. When atypical practices are requested, OFMEM does not have a framework/guideline for decision making.

### **Recommendation**

To fulfill their goal to re-establish a state of normalcy as quickly as possible and ensure they are both responsive to the emergent need and accountable to the public. It is recommended that the ADM, OFMEM ensure:

1. documented policies and procedures exist to guide and direct OFMEM staff in their responsibilities during an incident requiring a provincial response. These should include:
  - clearly defined roles and responsibilities
  - a more defined and appropriate framework for when logistics staff are engaged
  - enhanced testing scenarios that include situations when key OFMEM staff are unavailable, to reduce the reliance on key individuals and increase shared knowledge.
2. a framework is developed to guide decision making for atypical response requests outside of the normal mandate of OFMEM.

### **Management Response/Action Plan**

1. The OFMEM concurs with this recommendation and through our Supply Chain Management Action Plan will:
  - document policies and procedures to further guide and direct OFMEM staff when engaging supply chain and logistics in a provincial response
  - define roles and responsibilities for OFMEM personnel and partner organizations who are involved in the supply chain and logistics process directly via OIC Special Responsibilities or through the Ontario Supply Chain Alliance. Partner engagement and roundtable consultation will support this effort
  - develop a checklist, associated rationale and decision triggers for the use and activation of supply chain arrangements. Roles and responsibilities for OFMEM logistics staff will be developed, exercised and included as part of ongoing training for all OFMEM staff involved in the PEOC's IMS structure. This will ensure a robust cadre of trained staff who will assist with supply chain and logistics coordination in future events.
2. The OFMEM concurs with this recommendation and through our Supply Chain Management Action Plan will:
  - develop a framework to guide decision making for atypical response requests outside the mandate of the OFMEM. This will include a rationale, communications and issues management decision tree procedure for use by OFMEM personnel in response to atypical requests.

The Framework will include the:

- development of a documented process that considers the type and nature of the request, validation and sustainability of the request, criteria and decision factors that will inform

- the requestor, OFMEM and partners organizations. The EMCPA, OIC Special Responsibilities, Ontario's Emergency Management Doctrine, the role of OFMEM and mandates of emergency management partners will all be considered in this process.
- development of a decision tree, checklist and rationale that defines the accountability for management and Command decisions related to supporting an atypical request that may require the activation of supply chain and logistics arrangements to support the request, and/or to provide advice when an atypical request is not recommended
  - development of a training module delivered to all OFMEM staff involved in PEOC IMS functions in response coordination to ensure awareness and application of the process going forward
  - development of a series of exercise and testing opportunities to test the framework and associated processes and procedures to ensure robustness and consistent application of the framework for future events.

A detailed Supply Chain Management Action Plan is being developed by the OFMEM that details Action Plan activities, an accountability framework, deliverables and completion timeframes. This document will be provided to the Audit Team and will be used by the OFMEM to monitor progress in the completion of all activities that respond to the recommendations outlined in the OIAD review entitled Supply Chain Management During Emergency Events.

The OFMEM recognizes that the recommendations outlined in this Report will further enhance and support our continued focus on public safety in Ontario and looks forward to implementing these recommendations.



## Appendices

### Appendix A – Acknowledgements

We would like to thank the management and staff of Office of the Fire Marshal/Emergency Management for their full cooperation and assistance during this engagement.

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## Appendix B – Background

In December 2013 a significant portion of southern and eastern Ontario experienced a major ice storm. The weight of the ice caused many tree branches and hydro lines to collapse. The storm resulted in widespread power outages that left approximately 830,000 hydro customers without electricity.

With the exception of one small community, no municipal emergencies were declared and the largest concentration of affected citizens was in the City of Toronto. In the days after the storm, municipalities, regions and the province jointly responded to assist and support affected areas.

In emergencies such as this, the Office of the Fire Marshal and Emergency Management (OFMEM) is the lead organization to facilitate the provincial response. One of its responsibilities is Supply Chain Management, which coordinates the acquisition and distribution of needed resources (e.g., bottled water, equipment, food cards, generators, fuel), should they be requested or deemed necessary.

Following events such as the December 2013 ice storm, the OFMEM completes a standard After Action Report to identify successful practices and opportunities for improvement. To assist in the completion of that report, the Deputy Minister of Community Safety authorized a review of the supply chain management processes and mechanisms.

## Appendix C – Engagement Objectives and Scope

### Objectives

The objective of this engagement was to examine the emergency-related mechanisms of supply chain management and determine opportunities for improvement.

### Scope

The focus of this engagement was the Ministry's policies and procedures pertaining to:

- need identification
- materials acquisition
- use/distribution
- administration.

Information was obtained through interviews, documentation review and an examination of activities during emergency activations in the last year.

Fieldwork commenced in February 2014.

## Appendix D – Review Criteria

### Criteria

- A comprehensive supply chain strategy should be in place in order to encompass available suppliers/distributors and organizations in support of citizens' needs as requested during an emergency or incident.
- Organizational roles, responsibilities and accountability should be clearly defined during a time when municipalities require support in a declared emergency.
- Processes should be clearly defined in order to identify needs in a specific type of emergency/incident, and acquire products and services for distribution.
- Defined trigger points should be established for operationalizing distribution/support and efficient means of administration.
- Reliable information processes should exist in order to support effective supply chain planning, execution and decision-making.
- Effective performance management and reporting mechanisms should be in place in order to ensure efficient processes during an emergency/incident.

## **Appendix E – Distribution List**

The final report will be distributed to:

- Matthew Torigian, Deputy Minister Community Safety, MCSCS
- Daniel Hefkey, Commissioner of Community Safety, MCSCS
- Ted Wieclawek, Fire Marshal of Ontario and Chief of Emergency Management, OFMEM, MCSCS
- David Lynch, CAO/ADM, Corporate Services Management, MCSCS
- Richard C. Kennedy, Chief Internal Auditor and Assistant Deputy Minister, Ontario Internal Audit Division, Treasury Board Secretariat
- Ministry of Community Safety and Correctional Services (Community Safety) Audit Committee